



### **Local Food for Schools (LFS) Cooperative Agreement Program**

#### **BACKGROUND:**

In March of 2022, State Agencies were made aware that the USDA Agricultural Marketing Service had established the Local Food for Schools Cooperative Agreement Program (LFS). With funding made available through USDA's Commodity Credit Corporation, USDA is helping states deal with the challenges of supply chain disruptions brought on by the pandemic. Through the LFS program, USDA will award up to \$200 million to states for food assistance purchases of domestic local foods for distribution to schools. This program will strengthen the food system for schools by helping to build a fair, competitive, and resilient local food chain, and expand local and regional markets with an emphasis on purchasing from historically underserved producers and processors. The RI Department of Education (RIDE) was allocated \$560,189 in funding under this program, which was applied for and subsequently awarded in September of 2022.

RIDE will use the state's allocation of LFS funding to support the purchase of unprocessed and minimally processed local foods from historically underserved producers and processors, for use by SFAs in the federally funded child nutrition programs. RIDE will administer this funding via a partnership with Farm Fresh RI.

Below are some questions and answers related to this program. Any additional questions can be directed to Jessica Patroliia at [Jessica.patroliia@ride.ri.gov](mailto:Jessica.patroliia@ride.ri.gov) or Dalila Townes at [dalila.townes@ride.ri.gov](mailto:dalila.townes@ride.ri.gov).

#### **Questions:**

##### **1. How is the LFS different from the SCA "local food hub option" administered by RIDE?**

SCA and LFS are very similar and will be administered by RIDE in a similar fashion. There are two key differences to the LFS program, of which SFAs should be aware:

- Unlike the SCA program, SFAs are NOT required to attest to experiencing supply chain disruptions and associated financial need in order to participate in the LFS
- In addition to the requirement that food items purchased under this program must be unprocessed or minimally processed local agriculture products, purchases must also be targeted to historically underserved producers and processors

##### **2. Who is eligible for this program?**

All SFAs with an active agreement to participate in the NSLP for school year 2022-2023 are eligible to participate in this program.

##### **3. Am I eligible to participate in the LFS if I already received funds under the SCA program?**

Yes, SFAs that have already received SCA funds are also eligible to participate in the LFSs program as long as they meet LFS eligibility criteria. These are two distinct programs and participation in one has no bearing on participation in the other.

#### **4. Am I required to accept these funds?**

No. SFAs may elect to receive LFS funds from RIDE but are not required to do so. Should an SFA decline or otherwise not accept their allocation, their LFS funds will be allocated to other SFAs by RIDE.

#### **5. How will my funding be calculated?**

Each eligible SFA that responds to RIDE by October 14, 2022 with the required process for opting in the allocation will be comprised of: 1) base allocation (amount TBD), plus 2) proportional funding based on each SFA's share of student enrollment reflective of September 2022, based on the pool of participating SFAs only.

#### **6. How will I be able to access funds under this program?**

Similar to the SCA "local food hub option", RIDE will set up an account for each participating SFA with FFRI with an available account balance equal to the amount of funds allocated to the SFA under the LFS program. SFAs will draw down on this balance by purchasing from a list of allowable food products, which will be provided by FFRI.

#### **7. What are some examples of allowable products that SFAs may have access to using their Local Food for Schools (LFS) funds?**

LFS funds must be used exclusively for the purchase of local food products that are unprocessed or minimally processed and purchases must be targeted to socially disadvantaged farmers/producers and/or small businesses. Examples of some allowable food products include fluid milk and other dairy foods such as cheese and yogurt; fruits and vegetables (including 100% juices); grain products such as pastas and rice; meats (whole, pieces, or food items such as ground meats); and meat alternates such as beans or legumes. Foods in a wide variety of minimal processing states (e.g., whole, cut, pureed, etc.) and/or forms (e.g., fresh, frozen, canned, dried, etc.) are allowable.

FFRI will establish an ordering catalog comprised of only allowable local food products for each SFA and will provide all required reporting to RIDE regarding the types of food items purchased and the distribution of socially disadvantaged farmers/producers and/or small businesses.

#### **8. What are some examples of food products that are not permitted to be purchased using LFS funds?**

Foods that are generally understood to be significantly processed or prepared may not be purchased using LFS funds. For example, crushed tomatoes, shredded cheese, whole-wheat flour, and sliced vegetables are all food items that are individually allowable, but a pre-made pizza comprised of those ingredients would not be allowable. Other examples of unallowable products include baked goods such as breads, muffins, or crackers; pre-packaged sandwiches or meals; or other prepared and/or pre-cooked items such as chicken nuggets, that come ready-to-eat or that require no further preparation beyond heating.

**9. For which Child Nutrition Programs may local foods procured with LFS funds be used to support the service of meals and snacks?**

LFS funds are available only to SFAs operating the NSLP and/or SBP and funds may be used to purchase food items to be used in meals served under those programs only.

LFS funds may not be used to support any other Federally funding child nutrition programs, including CACFP, SFSP, and FFVP.

**10. Can I use LFS funds for supplementary items outside of the component necessary to produce reimbursable meals under the Federally funded Child Nutrition Programs?**

No. LFS funds may be used ONLY to support the production and service of reimbursable meals under the NSLP and SBP as outlined in question 9.

**11. Are non-food costs that are essential to the procurement of unprocessed or minimally processed domestic food products allowable when using LFS funds?**

Yes. Incidental costs (such as those related to shipping and handling or packaging) that are a part of the normal or customary purchase price charged by a vendor for any given food product are an allowable use of LFS funds.

Pricing has been established with FFRI to encompass all costs associated the sourcing, storing, delivery, etc. of allowable food items and therefore SFAs participating in that option will have no additional costs outside of the cost of the food items being purchased.

**12. Can SFAs opt in to LFS funds if they utilize contracts to procure vended meals and/or the services of a Food Service Management Company, and are there any specific recordkeeping requirements that must be observed?**

In situations where an SFA has a FSMC, or a vended meal contract, the SFA may elect to participate in the LFS program. Below are some scenarios outlining how SFA participation in the LFS might look and the recordkeeping requirements associated with each scenario.

**The SFA receives meals through a cost reimbursable contract with an FSMC:** In this scenario, it is most likely that the SFA will allow the FSMC to manage LFS funds similarly to the management of funds received under the USDA's DoD Fresh Produce program. An account will be set up at with Farm Fresh RI in the SFA's name with a credit balance as established by RIDE. The FSMC will be an authorized purchaser on this account and will place orders and manage inventory as with any other established vendor. The FSMC will retain delivery slips detailing the products received under this program as well as production and inventory records detailing the use of product received to support the production of reimbursable meals served under any of the Federally funded Child Nutrition Programs. The FSMC will credit by disclosure the value of LFS funds utilized via the monthly invoicing process. As with USDA Foods, it is the SFA's responsibility to ensure that the FSMC is fully and appropriately utilizing the allocated balance and that the SFA is receiving full credit for product received. Farm Fresh RI will provide all required reporting to RIDE regarding food items purchased, dollars spent, and socially disadvantaged farmers/producers and/or small businesses supported.

**The SFA receives meals through a fixed price contract with an FSMC or commercial food vendor:** In this scenario, it is most likely that the SFA will allow the FSMC/vendor to manage LFS funds similarly to the management of USDA Commodity Foods. An account will be set up with Farm Fresh RI in the SFA's name with a credit balance as established by RIDE. The FSMC/vendor will be an authorized purchaser on this account and will place orders and manage inventory as with any other established vendor. The FSMC will retain delivery slips detailing the products received under this program as well as production and inventory records detailing the use of product received to support the production of reimbursable meals served under the Federally funded Child Nutrition Programs. The FSMC will credit the SFA for the value of LFS foods utilized via a credit on the monthly invoice. As with USDA Foods, it is the SFA's responsibility to ensure that the FSMC is fully and appropriately utilizing the allocated balance and that the SFA is receiving full credit for product received. Farm Fresh RI will provide all required reporting to RIDE regarding food items purchased, dollars spent, and socially disadvantaged farmers/producers and/or small businesses supported.

**The SFA receives vended meals through an SFA to SFA agreement:** In this scenario, it is most likely that the recipient SFA will allow the vending SFA to manage LFS funds. An account will be set up with the selected food hub vendor in the SFA's name with a credit balance as established by RIDE. The vending SFA will be an authorized purchaser on this account and will place orders and manage inventory as with any other established vendor. The vending SFA will retain delivery slips detailing the products received under this program as well as production and inventory records detailing the use of product received to support the production of reimbursable meals under the Federally funded Child Nutrition Programs for the recipient SFA only. The vending SFA will credit the recipient SFA for the value of LFS funds utilized via a credit on the monthly invoice. It is the recipient SFA's responsibility to ensure that the vending SFA is fully and appropriately utilizing the allocated balance and that the recipient SFA is receiving full credit for product received. Farm Fresh RI will provide all required reporting to RIDE regarding food items purchased, dollars spent, and socially disadvantaged farmers/producers and/or small businesses supported.

**13. What is the CFDA # associated with this program?**

The CFDA # associated with the Local Food for Schools Cooperative is 10.185.

**14. When must allocated LFS funds be spent by?**

Funds must be fully spent by the end of the performance period of the Local Food for Foods Cooperative Agreement, February 28, 2025. RIDE will assess SFA spending during the fall of 2024 and may recover and redistribute funds from SFAs that are not projected to spend down the entire allocated balance prior to the end of this grant.

**15. What records must SFAs retain in connection with their receipt and use of LFS funding?**

All SFAs are required to maintain purchasing and other records for review and audit purposes. SFAs must retain regular records pertaining to its school food service as required by 7 CFR 210.9(b)(17). This may include invoices, receipts, production records and other documents. This documentation must reflect that purchases made by SFAs are consistent with the purpose of the LFS funding, i.e., for local unprocessed or minimally processed food products solely to support meals produced and served under the NSLP and SBP.